

# **REMARKS/ARGUMENTS**

This Amendment is in response to the Office Action dated June 17, 2004. Claims 1-16 are pending. Claims 1-16 are rejected. Claims 1-8 have been canceled. Claims 17-22 have been added. Accordingly, claims 9-22 remain pending in the present application.

Claims 1-2 and 6 are rejected under 35 USC 102(b) as being anticipated by Lessin et al. (4,868,376). claims 3-4 and 7 are rejected under 35 USC 103(a) as being unpatentable over Lessin in view of Grant (6,095,416). Claim 5 is rejected under 35 USC 103(a) as being unpatentable over Lessin in view of Herwig (2002/0082925). Claim 8 is rejected under 35 USC 103(a) as being unpatentable over Lessin in view of Herwig. Claims 1-8 have been canceled. Thus, their rejections are moot.

Claims 9-10 and 12-14 are rejected under 35 USC 103(a) as being unpatentable over Nara et al. (4,766,294) in view of Mears (5,539,400).

The examiner argues that Nara discloses:

...a decoder (i.e. CPU able to do the decoding process), wherein the inputted identification verification data is not shared with another device; and a processor (28) (i.e. CPU) coupled to the decoder (i.e. CPU acts as processor and decoder),... and wherein the inputted identification verification data is not shared with another device (col. 2 lines 26-34, col. 3 lines 18-58, col. 9 lines 59-61 and col. 11 lines 25-30, 57-60).

Applicant respectfully disagrees. Nara discloses an IC card that has an on-line function used in connection with the terminal devices, and an off-line function used when the IC card is used independently, not in connection with other devices, and a stand-by mode in which the IC cards counts time alone. (Col. 2, lines 27-34)

Nara discloses the IC card as containing a data memory (31) for storing a personal identification number and other data. The contents of the data memory are available to other devices when the IC card is used, even with its off-line function. Nara specifically described the reading of the magnetic stripe on the IC card, where the CPU (28) "reads out the data...

corresponding to the selected credit, from data memory 31, and outputs it to magnetism generating member controller 40.” (col. 10, lines 45-64) The output is then supplied to the magnetic head of the reader device. In Figure 2 of Nara, the reader device is clearly indicated to be another device.

Therefore, Nara in view of Mears does not teach or suggest a transaction device with a decoder for sensing, decoding, and verifying the inputted identification data, wherein the inputted identification verification data is not shared with another device, as recited in independent claim 9 of the present invention. Instead, Nara in view of Mears teaches that the inputted identification data is shared with an external reader device.

Claim 9 is thus allowable for the above reasons. Applicant submits that claims 10 and 12-14 are allowable because they depend upon this allowable base claim.

Claim 11 is rejected under 35 USC 103(a) as being unpatentable over Nara in view of Mears and further in view of Grant. Applicant submits that claim 11 is allowable because it depends upon the allowable base claim 9, as argued above.

Claims 15 and 16 are rejected under 35 USC 103(a) as being unpatentable over Mears in view of Wallerstein and further in view of Grant.

The examiner argues that Wallerstein discloses a decoder, wherein the decoder comprises a stored identification verification data, “wherein the stored identification data is not shared with another device (col. 2 lines 18-24, referring to Hara et al. discloses that IC card identification information is not shared with another device)”. Applicant respectfully disagrees.

Hara et al. (4,918,631) discloses an IC chip energized from a terminal device through a connecting terminal, where an identification number is entered at a keyboard in the terminal device. The identification number prestored in the IC chip is then read out and compared with the entered identification number in the terminal device so as to determine whether or not the current card user corresponds to the authorized card holder. (Col. 1, lines 24 – 35) Thus, the identification number

is shared with another device, the terminal device.

In addition, the programmable credit card disclosed by Wallerstein temporarily preserves the identification number and completed account number by emulating the numbers on an inducer behind a magnetic strip provided on the card, and the numbers are subsequently read out from the magnetic strip by a reader device in the form of a conventional magnetic reader (Col. 3, lines 20-25). Thus, the identification number in Wallerstein is shared with another device, i.e., the reader device.

Thus, even if Mears and Grant teach the limitations as argued by the Examiner, Mears in view of Wallerstein and further in view of Grant still does not teach or suggest a decoder for sensing, decoding, and verifying the inputted identification verification data, wherein the inputted identification verification data is not shared with another device, in combination with the other elements as recited in independent claim 15.

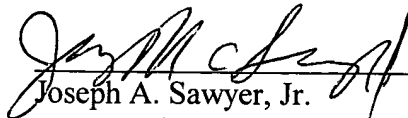
Applicant submits that newly added claims 17-22 are allowable for at least the above stated reasons.

In view of the foregoing, Applicant submits that claims 9-22 are patentable over the cited references. Applicant, therefore, respectfully requests reconsideration and allowance of the claims as now presented.

Applicants' attorney believes this application in condition for allowance. Should any unresolved issues remain, Examiner is invited to call Applicants' attorney at the telephone number indicated below.

Respectfully submitted,  
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